GOVERNMENT OF INDIA
FOOD PROCESSING INDUSTRIES
LOK SABHA

UNSTARRED QUESTION NO:941
ANSWERED ON:23.10.2008
CONTRIBUTION OF FPI IN GDP
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Will the Minister of FOOD PROCESSING INDUSTRIES be pleased to state:

(a) the contribution of Food Processing Industries (FPI) to the Gross Domestic Product (GDP) during the Tenth Five Year Plan period;

(b) the percentage of big, medium, small and tiny industries in the food processing sector;

(c) the number of MNCs operating in the Food Processing Industry as on date;

(d) the percentage of their share in the market; and

(e) the steps taken by the Government to increase the contribution of FPI to the GDP in the 11th Five Year Plan?

Answer

THE MINISTER OF STATE FOR FOOD PROCESSING INDUSTRIES (I/C) (SHRI SUBODH KANT SAHAt)

(a) & (b): The Gross Domestic Product (GDP) of Agriculture based industry groups comprising meat,fish, fruits, vegetables and oils, dairy products, grain milling, other food products, beverage and their growth during the Tenth Five Year Plan are as below:-

Gross Domestic Product at Current Prices

(Rs. in crores)

Description	2003-04	2004-05	2005-06	2006-07 (Provisional)
Food Products & Beverages	51846	55772	59281	70088
Percentage contribution in GDP	2.0	1.9	1.8	1.8

Gross Domestic Product at constant prices (Base year 1999-2000)

(Rs. in crores)

Description	2003-04	2004-05	2005-06	2006-07 (Provisional)
Food Products & Beverages	46386	47245	49165	53589
Percentage contribution in GDP	2.1	2.0	1.9	1.9

(c) & (d): Some MNCs have set up their units for manufacturing of Processed food. However, the requisite details about MNCs working with Small Scale and Cottage Industries are not centrally maintained in the Ministry. Based on employment,entire industrial

sector including food-processing industries can be broadly classified as organized and unorganized sectors.In terms of gross output, share of the unorganized sector is 41% as against 59% contributed by the organized sector upto the year 2006-07. 100% Foreign Direct Investment (FDI), under the automatic route is allowed in the Food Processing Industry.

(e): Government has formulated and implemented several Plan Schemes to provide financial assistance for the establishment and modernization of Food processing units, creation of infrastructure, support of R&D, Human Resource Development besides other promotional measures to encourage development of food processing industries. Moreover, the Government has taken several steps like tax reduction, waiver/reduction of excise duty, reduction of custom duty on specific food items with a view to encourage the growth of Food Processing Industries and make them more competitive. The Ministry under its Plan Scheme for establishing/upgrading of Food Quality Testing Labs, Implementation of Quality Systems such as Hazard Analysis Critical Control Points (HACCP), International Organization for Standardization (ISO) 9000, Promotion of research and Development, Capacity building and Human Resources Development, provides assistance to food processing industries to enable them to increase the contribution of Food Processing Industries to the GDP in the 11th Five Year Plan.